

Community Ownership Group

Grŵp Perchnogaeth Gymunedol

About the Community Ownership Group

The Community Ownership Group is a network of organisations who wish to see more assets being run by communities, especially if those assets are at risk of loss to the community otherwise. We all see access to community spaces – whether they are buildings or land – as an essential part of thriving communities, and we know from our work and the work of other groups that this provides a wide range of benefits to communities and to community life.

A list of those organisations who have specifically endorsed this document can be found at the end of the document. Whilst some of us are membership bodies, our members take their own views on these issues.

Whilst the Community Ownership Group is focussed on promoting community ownership of assets, we do not believe that this should sit in isolation to wider changes to Welsh Government's community policy; including developing a new communities strategy, examining additional sources of funding for community organisations and building community wealth. Indeed, a strong community assets policy would reinforce these.

Introduction

Community assets, whether they are land or buildings, provide enormous benefits to local communities by providing spaces for voluntary sector groups to operate and enabling local people to meet and stimulate community action. Research by Building Communities Trust found that Wales is home to thousands of local community groups, with hundreds running significant assets covering a huge variety of activities from tourism to sport and leisure, shops and social centres.¹ Governments have provided funding to support communities to acquire and develop assets.

However, a study by the Local Trust in England has also shown that poorer areas with greater community assets and action have better health and wellbeing outcomes, higher rates of employment and lower levels of child poverty compared to poorer areas without.² This correlates with our own experience in Wales, and we are developing further research to examine this.

A recent report from the Institute of Welsh Affairs found that communities face an "an arduous and demoralising process" and that it was "extremely likely" that the situation in Wales has led to many assets being permanently lost to communities³. The Bevan Foundation highlights that a better set of rights and frameworks for community ownership can help new forms of community innovation and regeneration to emerge.⁴

¹ BCT, WCVA, Wales Co-operative Centre, DTA Wales, Coalfields Regeneration Trust, May 2020, [Mapping Community Assets in Wales](#)

² Local Trust/OCSI, 2019, [Left behind? Understanding communities on the edge](#)

³ Institute of Welsh Affairs, 2022, [Our Land: Communities and Land Use](#)

⁴ Bevan Foundation, 2020, [Productive community assets: generating the benefits](#), p.8 & Summary

Assets can either be land or buildings. They can be owned by a public body, from a private body. Some assets may also be commercially viable, whereas others would need ongoing support. Notably, purchases of assets held by a charity can be legally and financially complex, and have implications for the ongoing viability of the organisation's work, which would need to be considered from all perspectives by Welsh Government in any new community assets policy.

Whether the current statutory and policy framework empowers communities in Wales to develop community assets;

We do not believe that the current statutory and policy framework empowers communities sufficiently to acquire assets that are at risk of loss to the community or to ensure that they are developed. There should be a wider package of support for community ownership, alongside a new community strategy. Transferring assets to a community can be complex and there are a number of ways that this can be supported, such as advice and support, defining a community asset, improving guidance around CATs, promoting a better understanding of the value of community ownership, and legal changes. Changes to the statutory and policy framework should cover all of these factors.

Legal changes

Wales does not have a **register of community assets**. Various voluntary sector organisations have attempted to map and quantify community assets across Wales however, this remains a challenge. As a result, it is hard to assess provision in individual communities, and to identify which assets and community spaces may need protection. Any register should be maintained by the local council but allow submissions from community groups and individuals.

The Welsh Government should develop policy tailored to Wales that provides communities in Wales with a greater opportunity to acquire assets which are at risk of loss to the community. This should take into account the particular make-up of communities in Wales, as well as our own legislative and policy framework. Most notably this would include the implications of the Wellbeing of Future Generations Act and our own local government structures. The Welsh Government should develop policy **on enhancing community ownership**, building on the work done by the voluntary sector, the Welsh Co-operatives and Mutuals Commission, and the Welsh Government Community Assets Working Group. This work should involve all stakeholders and should examine:

- Mapping community assets and creating a register of those assets.
- Communities' rights if assets are at risk of loss to the community
- The community involvement and wellbeing ambitions in the Future Generations Act
- The challenges faced by poorer communities in terms of raising capital and developing capacity to take on an asset.

Funding

Community ownership of assets requires **funding**, whether for the initial purchase, for development, or (in some cases) for supporting ongoing costs. In recent years, governments across the UK have looked at ways to support communities to retain buildings and land that have been in community use, whether in public or private hands. Here in Wales, for example, Welsh Government has funded WCVA's [Community Asset Loan Fund](#) and runs its own [community facilities programme](#). Likewise, Welsh organisations can bid into the UK Government's [Community Ownership Fund](#).

Respondents to the IWA's research project were broadly positive about the availability of funding provided by government bodies and major funders. We do note however some of the challenges of raising funds in short timescales permitted for community groups to do so. As well as this, significant rises in the value of land compared to income can make it more challenging for communities to raise funds, a trend we expect to continue in some parts of Wales. This is also true due to the rise in costs for day-to-day expenses such as fuel.

Finally, we support the use of **community shares** as a way of supporting some community-ownership projects. This is a form of long-term, patient finance and also creates a "membership" or a "movement" to support a community-ownership project. This is a growing sector and across the UK over £200m has been raised through community shares in the last decade and that 92% of organisations that have utilised community shares are still trading.⁵

Alternatives to ownership

Ownership of assets, both land and buildings, can provide significant advantages to communities. However, full title transfer is not always either possible or desirable. A sole focus on title transfer can miss result on missed opportunities to support communities.

In situations where asset transfer is not possible, the Welsh Government should support public bodies to co-produce, with communities as equal partners, **future asset management plans** that reflect community values and vision but also reflect the legal and professional requirements of asset management.

The transfer of assets to the community is a successful way to give communities a say in the management of their local community and its environment. Where that is not possible, supporting the co-production of future management plans and giving **communities long-term rights under a stewardship agreement** can provide many of the community benefits of asset transfer.

We recommend that:

- the Welsh Government immediately undertake a process of mapping community assets, be they in the public, private, or voluntary sectors.
- The Welsh Government develop policy on supporting community groups' ability to acquire assets which are at risk of loss to the community. The specific mechanism for this should be informed by the systems in England and Scotland, but tailored for Welsh

⁵ Co-operatives UK (2021). [Milestone £200 million invested to transform communities](#)

circumstances. This should also include alternatives to ownership such as long-term leasing.

- This policy include continued access to flexible funding to support acquisition and development of community assets.

The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

Most assets which have transferred into community ownership in recent years have done so as part of the Community Asset Transfer scheme, under guidelines by Welsh Government. Community groups have had varying experiences with how successful this has been.

In particular we are concerned that the process of Community Asset Transfer is not consistent across Wales. The status quo does not provide a level playing field for communities across the country as a whole. We believe a new community asset policy needs to address the imbalance in access.

Relationships with the public sector

Relationships vary between public bodies, and often within them. For example, in some areas Community Asset Transfer is seen as a collaborative process while in others it is defined by **lack of trust**, with the public sector often disregarding the voluntary sector's ability to manage assets well. Research by the Welsh Government shows that "predominantly the context for [initiating a transfer] was the need of the local authority to reduce their costs each financial year⁶".

This is related to a wider concern about procurement processes for longer-term leasing. We acknowledge the work that the Welsh Government is doing around social value and believe that this should be reflected in longer-term leasing and land management contracts.

There were varied experiences about the challenges facing community asset transfer. Some noted that sometime communities felt they were being handed **unsustainable assets**, or that there was a mindset with some officials that community activity leads to limited activity, or would be run by a group with a lack of commercial acumen⁷.

It is important to stress the **additional value that comes from community use**. The first is that, in some cases, the asset is managed in a way that stimulates the local economy, especially if there is a commercial aspect to the project. However, there are also community benefits in terms of wellbeing, maintaining public spaces and in bringing people together.

Finally, we believe that the debate around community ownership of assets too often focusses solely on Community Asset Transfer and the publicly-owned buildings. Whilst this

⁶ : Coates, J., Nickson, S., Owens, N., and Smith, H. (2021). [Community asset transfer: research with the third sector, local authorities and community and town councils](#) Cardiff: Welsh Government, GSR report number 33/2021

⁷ Research by the Plunkett Foundation on [community-owned shops](#) and [community-owned pubs](#) shows that the sectors have a 92.5% (shops) and 99% (pubs) long-term success rate (in terms of trading beyond 5 years).

is an integral part of promoting community ownership, it should sit as part of a wider strategy which covers a wider range of assets.

We recommend that:

- the Welsh Government refresh its Community Asset Transfer guidelines following consultation with community groups.
- a programme of work to improve understanding the value of community asset transfer and how to ensure community assets are transferred successfully.
- that the Community Asset Transfer scheme sits within a wider set of policy to promote community ownership of assets, especially those at risk of being lost to the community.
- ensure that, where community asset transfer is not possible, communities are involved in discussions about the future of community assets. This is especially important in relation to land.

To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;

As well as legal and funding challenges, there is plenty of evidence that smaller barriers exist for community groups seeking to run assets.

There is a particular challenge facing **communities facing deprivation** who want to develop community assets; such as lower levels of community capacity and skills, and challenges with fundraising locally. This would likely require additional support, and this support would need to be more than simply finance and may include community capacity building and mentoring for community leaders. Similar challenges may be experienced by some **communities of interest**.

In addition to these challenges, there are a wide range of models for community ownership, as outlined above, and this leads to a wide range of challenges for organisations seeking to bring an asset into community ownership. Some of these challenges were felt by different types of community groups.

These included challenges at the start of the process of community ownership, such as the **required speed of fundraising** being beyond the capacity of community groups. There was often **a lack of information on running costs** available from public bodies prior to transfer and even less information available for assets currently held privately. There is a need for **frontloading of finance** for professional services such as surveyors so that informed decisions about taking on an asset could be made.

Assets can also be liabilities, especially in relation to maintenance and repair work. Business models need to reflect this. This is especially true at the moment, when the cost of running a venue is increasing (in part due to fuel costs, although other factors are also important) but income is not.

Finally, many groups would benefit from **support and mentoring** in relation to making an asset financially sustainable (whether it is designed to be commercially viable or not). This includes advice in relation to maximising income streams. This is especially relevant during the current cost of living crisis.

We recommend that alongside other changes to the policy framework for community assets and community ownership, there should be technical support for communities and public bodies, including:

- A co-ordinated package of support for organisations looking to acquire and run assets.
- Front-loaded finance to develop proposals, especially in more deprived communities.
- Supporting capacity-building within communities, especially in more deprived communities.
- Better co-ordination and understanding within the public sector for community ownership.
- Education at a grassroots level about the value of community ownership.

To discover what lessons can be learnt from beyond the Welsh border.

There are plenty of examples of successful community ownership projects in the rest of the UK, and across the world. These often come from an environment which promotes community ownership of assets through legal and financial support. Submissions from other organisations will highlight examples from their specific areas of work.

This briefing is endorsed by:



This briefing does not necessarily represent the views of members of the organisations listed above who are membership bodies.